

Research Report – Update

Investors should consider this report as only a single factor in making their investment decision.

Samaritan Pharmaceuticals, Inc.

Rating: Neutral

Luis Martins

May 25, 2006

LIV \$0.41 (AMEX)

	FY2002A	FY2003A	FY2004A	FY2005A	FY2006E
Revenues (Thousands)	\$0	\$250	\$0	\$257	\$382
Earnings per share	\$(0.08)	\$(0.07)	\$(0.04)	\$(0.04)	\$(0.04)

52-Week Range	\$0.90 - 0.30	Fiscal Year Ends	December
Shares Outstand (000's)	142,221	Revs/Share (TTM)	\$0.00
Approximate Float (000's shares)	112,425	Price/Sales(TTM)	NMF
Insider Holdings	21.2%	Price/Sales(2006)E	NMF
Tangible Book Value/Share	\$0.00	Price/Earnings(TTM)	NMF
Price/Tangible book	NMF	Price/Earnings(2006)E	NMF

Samaritan Pharmaceuticals, Inc. (AMEX: LIV) is a developer of innovative drugs. In collaboration with Georgetown University, LIV has proprietary compounds in pre-clinical and clinical development for the treatment of AIDS, Alzheimer's, cancer and cardiovascular disease.

Key Investment Considerations:

We are maintaining coverage of LIV with a Neutral rating, pending further clinical and business developments.

In July 2005, LIV announced that it commenced dosing the first patient in a Phase II (stage 2) monotherapy trial of its lead "oral entry inhibitor" anti-viral agent SP01A in HIV-infected patients. In May 2006, the Company announced that it concluded the above trial and commenced an extended 28 day trial (stage 2) in order to get better data points to submit to the FDA in support of product approval.

On April 4, 2006, Samaritan Pharmaceuticals Europe received notification by the National Pharmaceuticals Organization for a new marketing authorization for Amphocil in Greece.

As of March 31, 2006, the Company had short-term cash and cash equivalents of \$2.5 million and an accumulated deficit of approximately \$34.9 million. According to our calculations, the Company burned about \$4.9 million during 2005 and \$1.1 million during the first quarter of 2006.

During the first quarter of 2006, the Company received \$1.4 million from Fusion Capital in exchange for 4.3 million shares. On March 1, 2006, LIV received a qualified subscription for 4 million common shares at a purchase price of \$0.25 per share for total proceeds of \$1 million. On May 2, 2006, the Company received qualified subscriptions for 1.613 million shares at a purchase price of \$0.40 per share for total proceeds of \$0.645 million.

In May 2006, the Company announced that it commenced an extended 28 day monotherapy trial with 60 patients (stage 2) in order to get better data points to submit to the FDA in support of product approval.

** Please view our disclaimer located on page 13.*

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Company Overview

Samaritan Pharmaceuticals, Inc. (AMEX: LIV), based in Las Vegas, Nevada, is a developer of innovative drugs. Its proprietary compounds, backed by domestic and foreign patents are in pre-clinical and clinical development for the treatment of HIV/AIDS, Alzheimer's disease, cancer, and cardiovascular disease. Samaritan's most clinically advanced drug, SP-01A, is currently in Phase II/III for the treatment of HIV. Additionally, the Company plans to in-license drugs (in the fields of HIV/Infectious diseases, CNS, Cancer/Oncology and Cardiovascular diseases).

The Company's strategic and collaborative partners include CRO professionals, Norbrook, Pharmaplaz, Fusion Capital, and Georgetown University. Its relationship with Georgetown is part of its strategic goal of bridging the gap between scientific discovery and a patient's bedside.

Recently, the Company formed Samaritan Pharmaceuticals Europe in Athens, Greece. The European's operation main focus will center on European clinical trials, regulatory approval, marketing, and distribution. According to Samaritan, the operations first task will be to initiate Samaritan's latest stage HIV drug through European clinical trials and regulatory approval with the European Medicines Agency (EMA). On December 14, 2005, LIV announced that it in-licensed the Greece and Cyprus marketing rights for Amphocil from Three Rivers Pharmaceuticals. Amphocil (amphotericin B cholesteryl sulfate complex for injection) is indicated for the treatment of invasive aspergillosis, a fungal infection that occurs in immuno-compromised patients.

SP-01A, the Company's most advanced drug targeted for the treatment of HIV, is an easy to take, oral, entry inhibitor (EI) tablet. SP-01A's main ingredient is procaine, a drug approved by the FDA over 40 years ago. Procaine, commonly referred to as Novocain, is used as a local anesthetic in medical and dental surgeries and procedures. SP-01A is intended to be administered in combination with currently available antiviral therapies for the indication of HIV drug resistance. SP-01A works in the earliest stage of the HIV lifecycle by blocking the HIV virus' ability to infect a cell, thereby, protecting the cells as opposed to directly combating the virus. The blocking mechanism is achieved through the effect of SP-01A on cholesterol synthesis relative to the modification of the cholesterol content of the host cell membrane, which makes it more difficult for the virus to enter and infect the cell and in turn, reduces the HIV-1 virus replication. Research also suggests that SP-01A may block the development of drug resistance (an ever increasing problem in combating HIV is the ability of the virus to reproduce itself despite the presence of HIV drugs). Since the virus does not penetrate the cell, it does not develop resistance to SP-01A.

The Company believes that it can achieve success in the HIV treatment market due to key competitive advantages that SP-01A will be seen to hold. These advantages include: 1) compliance (i.e. orally administered versus injection), 2) cost and affordability, and 3) ability to treat various types of patients in various stages of infection, including those patients with resistance issues. Moreover, SP-01A is intended to be administered in combination with currently antiviral therapies for the indication of HIV drug resistance.

Strategy

Business Strategy

Samaritan strives to develop drugs for indications that have a potential commercial value of at least \$300 million a year to ultimately interest major pharmaceuticals in-licensing. The Company's strategy to maximize shareholder value calls for Management to do the following:

- Take its leading product candidate, SP-01A, as far along the clinical process as possible;
- Seek to in-license niche drugs approved (or near approval) by regulatory authorities and market them in Europe. LIV will use its sales and marketing expertise in Greece, South and Eastern Europe for this endeavor. It will concentrate in the fields of HIV/Infectious diseases, CNS, Cancer/Oncology and Cardiovascular diseases;

- Seek out pharmaceutical companies with expert sales and marketing abilities to handle much, if not all, of the marketing and commercialization of SP-01A and other product candidates in its portfolio in exchange for a royalty stream and milestone payments;
- Utilize its research agreements with Georgetown University and other leading universities with top scientific investigators in an effort to build its pipeline of drugs;
- Enter into and maintain relationships with third party companies (i.e. Pharmaplaz) that can provide LIV with expertise in a particular area needed in the drug discovery process. This will allow the Company to conserve cash and possibly reduce the time to market;
- Seek out additional grant monies from such agencies as the NIH and other parties (including European governments) in order to build credibility and reduce cash burn; and
- File (during 2006) two to three Investigational New Drug Applications (INDs) for new drugs, SP-10 for HIV and SP-233 and SP-04 for Alzheimer's, pending toxicology studies.

Recent Developments

SP-01A

In May 2005, Samaritan Pharmaceuticals announced it was initiating a Phase II trial (stage 1) to assess SP01A's safety and the effect on viral load in HIV-1 positive individuals, with evidence of increasing viral load despite treatment with other antiretroviral therapy. The study occurring at 4 sites, is a double-blind, placebo controlled, multi-dose, monotherapy study in treatment-experience HIV patients.

In July 2005, LIV announced that it commenced dosing the first patient in the Phase IIB 10 day monotherapy trial of its lead "oral entry inhibitor" anti-viral agent SP01A in HIV-infected patients. In May 2006, the Company announced that it concluded the above trial with 34 patients and commenced an extended 28 day monotherapy trial with 60 patients (stage 2) in order to get better data points to submit to the FDA in support of product approval.

In mid-2006, the Company plans to initiate a larger Phase III trial, which is expected to last for 48 weeks. This trial is expected to occur in Europe due to cost considerations. However, Management plans to file with the U.S. FDA for approval, pending successful results in Europe. Concurrent with this trial, Management will be seeking accelerated approval for SP-01A, with data from 24 weeks. Given favorable test data and FDA approval, Management estimates that the drug could be approved for marketing in the United States by 2007/2008.

Prior to approval, LIV may enter into an agreement with a large pharmaceutical company with sales and marketing expertise to facilitate the marketing of the drug. Such an agreement may be in the form of a 50/50 marketing agreement or a royalty agreement that will pay royalties of around 10% to 12% to LIV. Alternatively, the Company may also consider going it alone.

Amphocil

On December 14, 2005, LIV announced that it in-licensed the Greece and Cyprus marketing rights for Amphocil from Three Rivers Pharmaceuticals. According to research, the product is approved in the United States (under the name of Amphotec) and in more than 40 other countries (under the name of Amphocil). Sales of the product were approximately \$2.8 million in 2004, with the overwhelming majority of sales occurring in the U.S. and Western Europe markets. In May 2005, Three Rivers acquired the worldwide rights to the drug from Intermune.

On April 4, 2006, Samaritan Pharmaceuticals Europe received notification by the National Pharmaceuticals Organization for a new marketing authorization for Amphocil in Greece. According to the Company's 10K, Samaritan Europe is currently assembling all of the necessary documents to make a pricing application with the Minister of Development who issues official prices with the consent of the Minister of Health. The nine-

member Pricing Committee is responsible for providing expert non-binding advice on pharmaceutical prices. According to its 10K, the product will be launched in the Greek market once price approval is obtained.

The National Pharmaceutical Organization is the competent authority for granting approval to market pharmaceutical and medical products in Greece, similar to the FDA in the United States.

Recent Results

First Quarter of 2006

On May 15, 2006, LIV reported results for the first quarter of 2006, ended March 31, 2006. LIV reported revenues of \$0.022 million and a net loss of \$1.2 million or \$(0.01) per share. In the first quarter of 2005, the Company reported no revenues and a net loss of \$1.3 million or \$(0.01) per share. Revenues in 2005 were recognized from grant activity through the United States Department of Health and Human Services, a federal cabinet level department charged with leading America to better health, safety and well being.

On an operating basis, LIV reported a loss of \$1.2 million, as compared to a loss of \$1.3 million in the year ago period.

The Company also reported that as compared to the year ago period:

- Operating expenses decreased to \$1.2 million from \$1.3 million. Expenses were primarily incurred in support of the Company's 1) research and development efforts of its pipeline of products associated with the Company's clinical strategies and 2) efforts to expand its operations in Europe. The components of operating expenses are illustrated in the following table:

Expenses (\$ 000's)	1Q2005A	1Q2006A
R&D	727	589
G&A	544	597
D&A	7	35

- Average shares outstanding increased to 137.3 million from 132.4 million in the year ago period. As of March 31, 2006, LIV had 250 million authorized shares and 23.7 million options outstanding with a weighted average strike price of \$0.60 per share.

Fiscal 2005

On April 13, 2006, Samaritan Pharmaceuticals reported results for 2005, ended December 31, 2005. LIV reported revenues of \$0.257 million and a net loss of \$5.6 million or \$(0.04) per share. In 2004, the Company reported no revenues and a net loss of \$4.9 million or \$(0.01) per share. Revenues in 2005 were also recognized from grant activity through the United States Department of Health and Human Services.

In comparison, Taglich Brothers' estimates called for revenues of \$0.235 million and a net loss of \$5.5 million or \$(0.04) per share.

On an operating basis, LIV reported a loss of \$5.6 million, as compared to a loss of \$5.1 million in the year ago period.

The Company also reported that as compared to the year ago period:

- Operating expenses increased to \$5.8 million from \$5.1 million. Expenses were primarily incurred in support of the Company's research and development efforts of its pipeline of products associated with the Company's clinical strategies. The components of operating expenses are illustrated in the following table:

Expenses (\$ 000's)	2004A	2005A
R&D	1,544	3,456
G&A	3,561	2,320
D&A	27	98

- Average shares outstanding increased to 134.6 million from 124.6 million in the year ago period. As of December 31, 2005, LIV had 250 million authorized shares and 23.9 million options outstanding with a weighted average strike price of \$0.60 per share.

Balance Sheet

Key balance sheet items as of March 31, 2006, were as follows:

- Short-term cash and cash equivalents of \$2.5 million;
- Working capital of \$1.0 million;
- Total assets of \$3.8 million;
- Total liabilities of \$1.8 million; and
- Stockholders' equity of \$1.9 million.

As of March 31, 2006, LIV's accumulated deficit was approximately \$34.9 million. According to our calculations, the Company burned about \$4.9 million during 2005 and \$1.1 million during the first quarter of 2006.

Investors should be aware that the Company must spend substantial amounts of money to carry out its research and development activities. Just to complete the next two clinical trials for SP-01A, Management estimates it will need to spend between \$5 million and \$10 million. As a result, the Company entered into a number of financing agreements, including:

- A financing agreement in May 2005 with Fusion Capital for up to \$40 million in equity financing over a 50-month period, subject to conditions. As the Company taps this source of capital, existing investors are likely to suffer dilution. Dilution will be greater the lower the price of the stock at the time the financing is finalized. During the first quarter of 2006, the Company received \$1.4 million from Fusion in exchange for 4.3 million shares.
- On March 1, 2006, the Company received a qualified subscription for 4 million common shares at a purchase price of \$0.25 per share for total proceeds of \$1 million.
- On May 2, 2006, the Company received qualified subscriptions for 1.613 million shares at a purchase price of \$0.40 per share for total proceeds of \$0.645 million, plus 100% warrant coverage at \$1.00 per share.
- Between April 26, 2006 and May 3, 2006, LIV issued 0.451 million shares stemming from the exercise of stock options. Options were exercised at prices ranging from \$0.18 to \$0.20 per share.

Also during, 2005 the Company issued 398,900 common shares in exchange for services rendered or to be rendered to the Company. Shares were valued at \$0.197 million.

In its filings with the SEC, Management states that the commitment from Fusion may only provide a portion of the capital needed by the Company to execute its entire business plan and it may require additional monies

to finance the Company's entire strategic plans. Therefore, LIV is exploring additional sources of capital (i.e. grants, in licensing of drugs, and license fees for in house products, and milestone payments).

Projections

Based on the above factors and recent operating trends and corporate developments, we are projecting 2006 revenues of \$0.4 million and a net loss of \$5.4 million or \$(0.04) per share.

We believe that the Company's near-term revenues will be primarily from grants; however, the Company's initiative of generating revenues through the in-licensing of drugs, such as Amphocil, may also generate revenues, pending regulatory requirements. As we garner additional visibility on LIV's in-licensing revenue and cost model, we will adjust our estimates.

Through the end of 2006, LIV will need to continue to allocate significant corporate resources (monetary and otherwise) on the development of its products. Just to complete the next two clinical trials for SP-01A, Management estimates it will need to spend close to \$10 million. Increased clinical and research activities may cause the Company's cash burn rate to increase. However, research and development expenses may fluctuate from period to period depending upon the stage of certain projects and the level of pre-clinical testing and clinical trial-related activities.

In the Company's recent SEC filings, Management stated that it expects research and development expenditures related to drug discovery and development will increase due to clinical trials which include the continuation and expansion of clinical trials for its HIV drug program, Alzheimer's drug program, the initiation of trials for other potential indications, and additional study expenditures for potential pharmaceutical candidates.

Risks

The Product Approval Process

LIV's lead product is currently still in the clinical stage process, while its other product candidates have yet to reach this stage. Typically, biopharmaceutical products require significant research and development, as well as regulatory approval by governmental agencies prior to commercialization. In the United States, The agency responsible for this regulatory process is the Food and Drug Administration (FDA). In foreign countries, regulatory agencies also oversee the product approval process.

The approval process is long, arduous, and costly. Before beginning human clinical testing of a potential new drug, a company must file an Investigational New Drug Application (IND) and receive clearance from the FDA. Thereafter, clinical trials are typically conducted in three sequential phases (Phase I, Phase II, and Phase III), but these phases may overlap. There is no assurance that clinical trials will be completed successfully within any specified time period, if at all. During the past five years, only 30 new drugs each year, on average, have been approved by the FDA.

Additional considerations in the regulatory approval process include:

- The FDA may suspend clinical trials at any time, if it believes that the subjects or patients are being exposed to an unacceptable health risk or that the investigational product lacks any demonstrable efficacy;
- Clinical trial results are frequently susceptible to varying interpretations by scientists, medical personnel, regulatory personnel, statisticians and others. This may delay, limit, or prevent further clinical development or regulatory approvals;
- There can be no assurance that any approval will be granted on a timely basis, if at all. The Food and Drug Administration may deny a New Drug Application (NDA), if applicable regulatory

criteria are not satisfied. The FDA may require additional testing or information. The FDA may ultimately decide that the application does not satisfy its regulatory criteria for approval;

- According to Pharmaceutical Research and Manufacturers of America - PRMA, an organization that represents the country's leading pharmaceutical research and biotechnology companies, research and development of new drugs is very costly, time-consuming and highly risky. Companies spend an average of 12 to 15 years at an average cost of \$500 million; and
- According to PRMA, only five in 5,000 compounds that enter pre-clinical testing make it to human testing and only one of these five is approved.

Miscellaneous Regulations

In addition to regulations enforced by the Federal Drug Administration, biotech companies are subject to regulation under the Occupational Safety and Health Act, the Environmental Protection Act, the Toxic Substances Control Act, the Resource Conservation and Recovery Act, and other federal, state, local, or foreign regulations. Various statutes and regulations also govern or influence the manufacturing, safety, labeling, storage, record-keeping, and marketing of such products.

Commercialization Risk

For the foreseeable future, we do not expect the Company to record significant product revenues. LIV, itself, does not expect to develop commercial products for some time. Any products that may result from LIV's research and development efforts may take several years to be commercially available or may never achieve market acceptance. Additionally, new technical developments or scientific discoveries may lead to rapid product obsolescence.

Physicians, patients, or the medical community in general may not accept or utilize any products that LIV or its corporate partners may develop. The degree of market acceptance of any products will depend on a number of factors, including potential advantage over alternative treatment methods and competing products, reimbursement policies of government and third-party payors, and ability to market and promote the products effectively.

There may be delays in obtaining regulatory approvals or clearances. This could stall the marketing, selling, and distribution of any products that the Company or its corporate partners develop. This may also result in additional costs, diminish any competitive advantages, and decrease its ability to receive royalties and generate profits. Even a small variation in time to market could adversely impact the Company's financial result and liquidity, as well as our valuation model.

Once a product is approved for sale, regulations govern the production, process, and marketing activities. Product approvals may be withdrawn, if compliance with regulatory standards, labeling, and current good manufacturing practices are not maintained. There can be no assurance that the Company or its partners will meet these requirements.

Competition

The HIV Treatment Market is a very competitive, rapidly evolving market. There are a number of companies involved in this market. According to industry sources, GlaxoSmithKline (NYSE: GSK), Bristol-Myers Squibb (NYSE: BMY), and Abbott Laboratories (NYSE: ABT) hold a substantial market share in the United States and internationally. Additionally, there are many other public and private companies (including major pharmaceutical and specialized biotechnology firms), universities, and other research institutions engaged in developing pharmaceutical and biotechnology products. Additionally, there are a number of companies and organizations that also developing entry inhibitors, which may compete directly with products that LIV may develop. Many of organizations have substantially greater financial, technical, research and development, and human resources than LIV.

Commercially viable products will compete with drugs and therapies manufactured and marketed by major pharmaceutical and other biotechnology companies. These products may be more effective than any of those being developed by LIV or its partners. The Biotechnology and Pharmaceutical Industries are characterized by rapidly evolving technology and intense competition. There are many public and private companies (including major pharmaceutical and specialized biotechnology firms), universities, and other research institutions engaged in developing pharmaceutical and biotechnology products.

In order to successfully compete with other companies, LIV must be able to obtain, maintain, and defend its intellectual property, including but not limited to patents, trade secrets, and proprietary rights. The Company has U.S. and foreign patent (Europe, Japan, and Australia) and pending patent applications relate to Alzheimer's, Cancer, Cardiovascular, and HIV indications. In total, it has been issued 1 U.S. patent and has 17 pending licensed patent applications in the U.S. Its foreign patent portfolio outside the U.S. is comprised of 2 licensed issued patents and 17 licensed pending patent applications.

According to marketresearch.com (an aggregator of business intelligence) and clinicaltrials.gov (a Website developed by the NIH and FDA that offers up-to-date information for locating federally and privately supported clinical trials for a wide range of diseases and conditions), there are more than 100 biopharmaceutical companies with a combined HIV drug portfolio of over 600 projects, from pre-clinical to Phase III. Many of these organizations have substantially greater financial, technical, research and development, and human resources than LIV. Investors should be aware that companies that complete clinical trials, obtain required regulatory approvals, and commence commercial sales of their products before their competitors may achieve a significant competitive advantage.

Collaborations

The Company may seek a strategic partner to commercialize its product pipeline. However, there can be no assurances that LIV will be successful in securing a partner arrangement or obtain favorable financial terms. Future product revenue stream may likely depend on its partners' sales/marketing capabilities and ability to execute proposed marketing plan; matters outside of the control of LIV.

Lack of Recurring Revenues

Since inception, the Company has only generated minimal revenues and from non-recurring sources (i.e. grants). If LIV is unable to generate recurring revenues, it will likely become dependent on third party financing to continue to meet its obligations and maintain current operations.

Funding Risk

LIV may likely be required to raise additional equity capital in order to continue with its near-term research efforts. More extensive financing will likely be needed for future clinical trials. Although the Company has shown an ability to obtain financing to fund operations, there is substantial risk that it may not be able to secure sufficient financing to fund its clinical activities and bring its product to market. There is no assurance that financing, if obtained, will be available on favorable terms.

Financing Arrangements/Dilution

If the Company obtains additional sources of funds through equity, current shareholders will suffer dilution. Substantial dilution may adversely impact LIV's equity value. As part of its recent financing efforts, the Company has executed an equity financing agreement with Fusion Capital. Investors should note that currently, the Company has no commitments from third parties to provide it with additional debt or equity financing.

History of Operations

The Company has and is likely to continue to incur significant losses. Losses were generated primarily due to expenditures for research and development and general and administrative expenses. Losses are likely to continue until significant recurring revenues are generated; therefore, an investor should be aware that an

investment in an early stage biotechnology company assumes all the risks of developing and marketing a product, as well as the potential benefits.

Shareholder Control

A small number of investors consisting of Managers and Directors (including the Company's CEO and CFO, who are related) own a substantial stake in the Company. Small investors should be aware that investors with significant stakes can control the outcome of certain shareholder votes. These outcomes may not be in the best interests of all shareholders. If a sizable stake is liquidated in the open market, there could be substantial selling pressure on the shares.

Management Compensation

Some investors may find it interesting to note that the Company's executive compensation is a significant portion of the Company's expenses. Management and the Compensation Committee of the Board of Directors believe that executive salaries are competitive and inline with the industry average when one considers peer data, as well as individual performance. According to the Company's proxy statement and our calculations, the top four officers' annual salary (salary and accrual salary), not withstanding stock and option awards, was \$1.198 million in 2005, as compared to \$1.023 million in 2004. According to the BioWorld's Executive Compensation Report 2006, the average salary in 2004 of such officers in the biotech industry was \$1.151 million. BioWorld is a Thomson company that covers news and issues in the biotech industry.

Corporate Governance

Wall Street has increased its focus on corporate governance and placed increased emphasis on the accountability of Management and Directors to shareholders, executive compensation, related party transactions, and familial relationships. The above factors have brought about the passage of the Sarbanes-Oxley Act of 2002 by Congress and signage by the President. Corporate governance may be an issue facing the Company in light of new rules and regulations being issued by government regulatory agencies. This could mean that the Company will eventually be required to hire additional personnel in order to diversify various operational, management, and compliance functions, as well as spend monies to comply with the various aspects of the Act.

Federal Reserve/FOMC

After its last sixteen meetings, the Federal Reserve raised the Discount Rate and its target rate for Fed Funds by 0.25 points after each meeting. Such a monetary policy is theoretically and empirically bad news for equity prices and valuations, particularly for smaller cap stocks.

Microcap Concerns

Shares of LIV have risks common to those of the microcap segment of the market. Often these risks cause microcap stocks to trade at discounts to their peers. The most common of these risks is liquidity risk, which is typically caused by small trading floats and very low trading volume and can lead to large spreads and high volatility in stock price. The Company has approximately 112 million shares in the float. On average, approximately 502,000 shares are traded daily.

Miscellaneous Risks

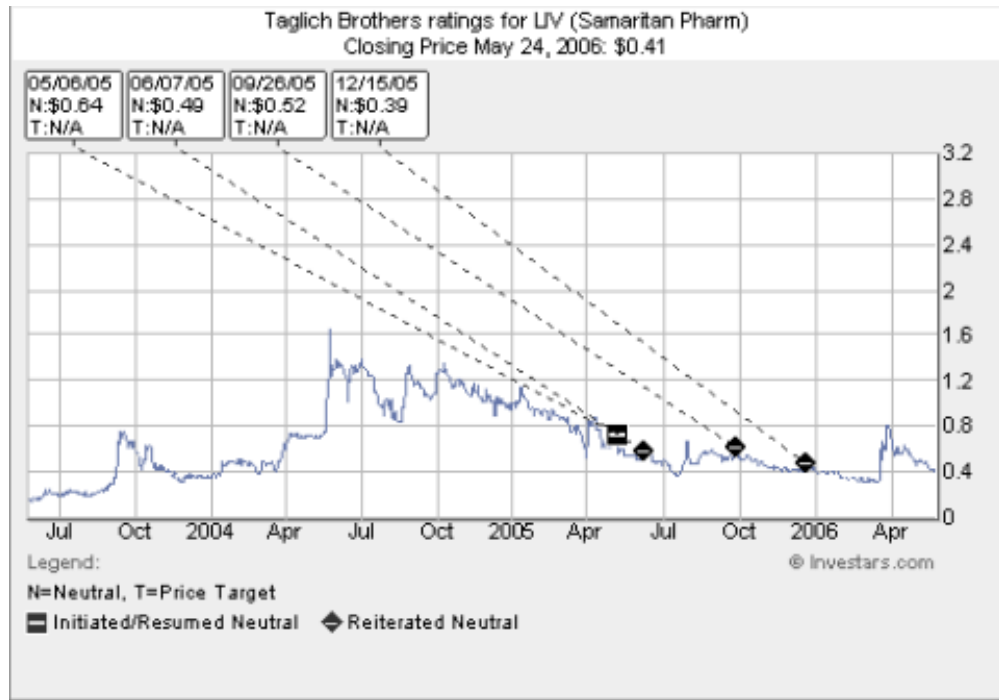
The Company's financial results and equity values are subject to other risks and uncertainties known and unknown, including but not limited to competition, operations, financial markets, regulatory risk, and/or other events. These risks may cause actual results to differ from expected results.

Conclusion

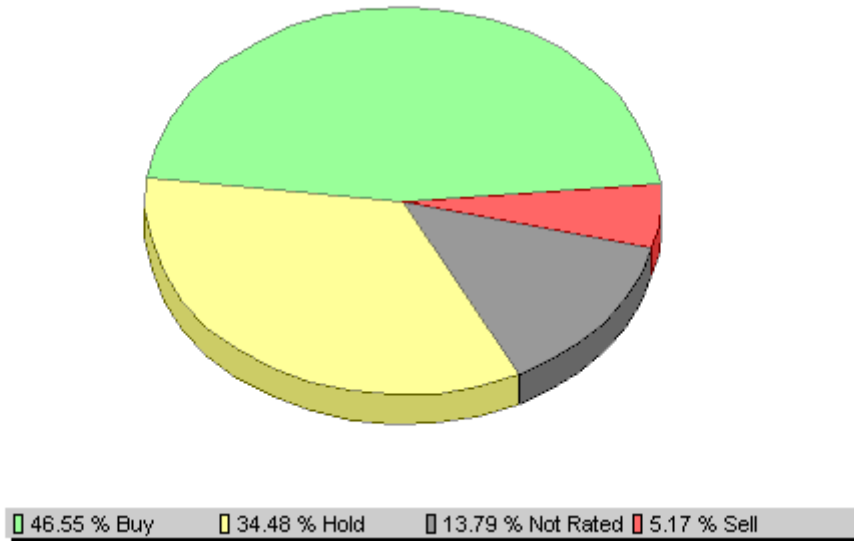
We are maintaining coverage of Samaritan Pharmaceuticals, Inc. (AMEX: LIV) with a Neutral rating, pending further clinical and business developments. The developments that we continue to monitor include:

- SP-01A's progress through the later stages of the clinical and regulatory processes;
- The Company's ability to build a revenue generating product portfolio via in licensing;
- The ability of the Company to successfully partner with a pharmaceutical company with the sales and marketing expertise necessary to effectively market SP-01A;
- The progress of its product pipeline currently in the early stages of development;
- LIV's cash burn rate and new financing agreements; and
- Dilution.

Investors should be acutely aware that the Company faces considerable risks, including limited financial resources, increasingly competitive product markets, a development stage product pipeline, regulatory concerns, and the probability of significant dilution. An investment in LIV is an investment in a development stage biotech opportunity with all the risks and benefits. Shares of LIV are only suitable for high-risk tolerant investors seeking exposure to an emerging biotech company.



Taglich Brothers Current Ratings Distribution



Investment Banking Services for Companies Covered in the Past 12 Months

Rating	#	%
Buy	0	0
Hold	0	0
Sell	0	0
Not Rated	1	9.09%

Meaning of Ratings

Buy

We believe the Company is undervalued relative to its market and peers. We believe its risk reward ratio strongly advocates purchase of the stock relative to other stocks in the marketplace. Remember, with all equities there is always downside risk.

Speculative Buy

We believe that the long run prospects of the Company are positive. We believe its risk reward ratio advocates purchase of the stock. We feel the investment risk is higher than our typical “buy” recommendation. In the short run, the stock may be subject to high volatility and continue to trade at a discount to its market.

Neutral

We will remain neutral pending certain developments.

Underperform

We believe that the Company may be fairly valued based on its current status. Upside potential is limited relative to investment risk.

Sell

We believe that the Company is significantly overvalued based on its current status. The future of the Company's operations may be questionable and there is an extreme level of investment risk relative to reward.

Some notable Risks within the Microcap Market

Stocks in the Microcap segment of the market have many risks that are not as prevalent in Large-cap, Blue Chips or even Small-cap stocks. Often it is these risks that cause Microcap stocks to trade at discounts to their peers. The most common of these risks is liquidity risk, which is typically caused by small trading floats and very low trading volume which can lead to large spreads and high volatility in stock price. In addition, Microcaps tend to have significant company specific risks that contribute to lower valuations. Investors need to be aware of the higher probability of financial default and higher degree of financial distress inherent in the microcap segment of the market.

From time to time our analysts may choose to withhold or suspend a rating on a company. We continue to publish informational reports on such companies; however, they have no ratings or price targets. In general, we will not rate any company that has too much business or financial uncertainty for our analysts to form an investment conclusion, or that is currently in the process of being acquired.

Public Companies Mentioned in this report

GlaxoSmithKline (NYSE: GSK)

Bristol-Myers Squibb (NYSE: BMY)

Abbott Laboratories (NYSE: ABT)

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I, Luis Martins, the research analyst of this report, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers; and that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in the research report.

Samaritan Pharmaceuticals, Inc.
Annual Income Statement Model
For Fiscal Year Ended December 31
(in thousands)

	<u>F12/2002A</u>	<u>F12/2003A</u>	<u>F12/2004A</u>	<u>F12/2005A</u>	<u>F12/2006E</u>
Total Revenues	\$ -	\$ 250	\$ -	\$ 257	\$ 382
Costs of Goods Sold	-	-	-	-	-
Gross Profit	-	250		257	382
<i>Gross Margins</i>	<i>NMF</i>	<i>100.00%</i>	<i>NMF</i>	<i>100.00%</i>	<i>100.00%</i>
R&D	1,097	838	1,544	3,456	3,289
G&A	2,419	4,902	3,561	2,320	2,397
D&A	520	24	27	98	110
Operating Expenses	4,036	5,764	5,132	5,874	5,796
Operating Income	(4,036)	(5,514)	(5,132)	(5,617)	(5,415)
<i>Operating Margin</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>-1418.15%</i>
Interest Expense(Income)-net	20	6	(37)	(60)	(40)
Other	-	-	(214)	8	(1)
Pre-Tax Income	(4,056)	(5,520)	(4,881)	(5,565)	(5,374)
<i>Pre-Tax Margins</i>	<i>#DIV/0!</i>	<i>NMF</i>	<i>#DIV/0!</i>	<i>NMF</i>	<i>-1407.44%</i>
Taxes (Benefit)	-	-	-	-	-
<i>Tax Rate</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>
Net Income	(4,056)	\$ (5,520)	\$ (4,881)	\$ (5,565)	\$ (5,374)
EPS-fully diluted	\$ (0.08)	\$ (0.07)	\$ (0.04)	\$ (0.04)	\$ (0.04)
Avg Shares Out-fully diluted	50,789	79,767	124,566	134,561	141,812
<u>Percent of Revenue</u>					
SG&A	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>
Net Margin	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>
<u>YEAR / YEAR GROWTH</u>					
Total Revenues	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>

Samaritan Pharmaceuticals, Inc.
Quarterly Income Statement Model
For Fiscal Year Ended December 31, 2003
(in thousands)

	<u>Q1(3/03)A</u>	<u>Q2(6/03)A</u>	<u>Q3(9/03)A</u>	<u>Q4(12/03)A</u>	<u>F2003A</u>
Total Revenues	\$ -	\$ -	\$ -	\$ 250	\$ 250
Costs of Goods Sold	-	-	-	-	-
Gross Profit	-	-	-	250	250
<i>Gross Margins</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>100.00%</i>	<i>100.00%</i>
R&D	188	199	201	250	838
G&A	440	450	438	3,574	4,902
D&A	6	6	6	6	24
Operating Expenses	634	655	645	3,830	5,764
Operating Income	(634)	(655)	(645)	(3,580)	(5,514)
<i>Operating Margin</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>
Interest Expense(Income)-net	4	2	2	(2)	6
Pre-Tax Income	(638.00)	(657.00)	(647.00)	(3,578)	(5,520)
<i>Pre-Tax Margins</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>
Taxes (Benefit)	-	-	-	-	-
<i>Tax Rate</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>
Net Income	\$ (638)	\$ (657)	\$ (647)	\$ (3,578)	\$ (5,520)
EPS-fully diluted	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.04)	\$ (0.07)
Avg Shares Out-fully diluted	66,635	75,940	83,469	85,000	79,767
<u>Percent of Revenue</u>					
SG&A	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>
Net Margin	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>
<u>YEAR / YEAR GROWTH</u>					
Total Revenues	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>

Samaritan Pharmaceuticals, Inc.
Quarterly Income Statement Model
For Fiscal Year Ended December 31, 2004
(in thousands)

	<u>Q1(3/04)A</u>	<u>Q2(6/04)A</u>	<u>Q3(9/04)A</u>	<u>Q4(12/04)A</u>	<u>F12/2004A</u>
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Costs of Goods Sold	-	-	-	-	-
Gross Profit	-	-	-	-	-
<i>Gross Margins</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>
R&D	105	315	475	649	1,544
G&A	717	700	476	1,668	3,561
D&A	7	7	7	6	27
Operating Expenses	<u>829</u>	<u>1,022</u>	<u>958</u>	<u>2,323</u>	<u>5,132</u>
Operating Income	(829)	(1,022)	(958)	(2,323)	(5,132)
<i>Operating Margin</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>
Interest Expense(Income)-net	50	-	-	(87)	(37)
Other	-	-	-	(214)	(214)
Pre-Tax Income	(879)	(1,022)	(958)	(2,236)	(4,881)
<i>Pre-Tax Margins</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>
Taxes (Benefit)	-	-	-	-	-
<i>Tax Rate</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>
Net Income	<u>\$ (879)</u>	<u>\$ (1,022.0)</u>	<u>\$ (958)</u>	<u>\$ (2,236)</u>	<u>\$ (4,881)</u>
EPS-fully diluted	<u>(0.01)</u>	<u>(0.01)</u>	<u>(0.01)</u>	<u>(0.02)</u>	<u>(0.04)</u>
Avg Shares Out-fully diluted	<u>108,952</u>	<u>127,561</u>	<u>130,749</u>	<u>131,000</u>	<u>124,566</u>
<u>Percent of Revenue</u>					
SG&A	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>
Net Margin	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>
<u>YEAR / YEAR GROWTH</u>					
Total Revenues	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>

Samaritan Pharmaceuticals, Inc.
Quarterly Income Statement Model
For Fiscal Year Ended December 31, 2005
(in thousands)

	<u>Q1(3/05)A</u>	<u>Q2(6/05)A</u>	<u>Q3(9/05)A</u>	<u>Q4(12/05)A</u>	<u>F12/2005A</u>
Total Revenues	\$ -	\$ 15	\$ 120	\$ 122	\$ 257
Costs of Goods Sold	-	-	-	-	-
Gross Profit	-	15	120	122	257
<i>Gross Margins</i>	<i>NMF</i>	<i>100.00%</i>	<i>100.00%</i>	<i>100.00%</i>	<i>100.00%</i>
R&D	727	814	824	1,091	3,456
G&A	544	672	628	476	2,320
D&A	7	17	26	48	98
Operating Expenses	1,278	1,503	1,478	1,615	5,874
Operating Income	(1,278)	(1,488)	(1,358)	(1,493)	(5,617)
<i>Operating Margin</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>
Interest Expense(Income)-net	(17)	(17)	(13)	(13)	(60)
Other	5	6	-	(3)	8
Pre-Tax Income	(1,266)	(1,476)	(1,345)	(1,478)	(5,565)
<i>Pre-Tax Margins</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>
Taxes (Benefit)	-	-	-	-	-
<i>Tax Rate</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>
Net Income	\$ (1,266)	\$ (1,476)	\$ (1,345)	\$ (1,478)	\$ (5,565)
EPS-fully diluted	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.04)
Avg Shares Out-fully diluted	132,440	133,895	135,768	136,866	134,561
<u>Percent of Revenue</u>					
SG&A	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>
Net Margin	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>
<u>YEAR / YEAR GROWTH</u>					
Total Revenues	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>	<i>NMF</i>

Samaritan Pharmaceuticals, Inc.
Quarterly Income Statement Model
For Fiscal Year Ended December 31, 2006
(in thousands)

	<u>Q1(3/06)A</u>	<u>Q2(6/06)E</u>	<u>Q3(9/06)E</u>	<u>Q4(12/06)E</u>	<u>F12/2006E</u>
Total Revenues	\$ 22	\$ 120	\$ 120	\$ 120	\$ 382
Costs of Goods Sold	-	-	-	-	-
Gross Profit	22	120	120	120	382
<i>Gross Margins</i>	100.00%	100.00%	100.00%	100.00%	100.00%
R&D	589	800	900	1,000	3,289
G&A	597	600	600	600	2,397
D&A	35	25	25	25	110
Operating Expenses	1,221	1,425	1,525	1,625	5,796
Operating Income	(1,200)	(1,305)	(1,405)	(1,505)	(5,415)
<i>Operating Margin</i>	-5502.29%	-1087.50%	-1170.83%	-1254.17%	-1418.15%
Interest Expense(Income)-net	(9)	(10)	(10)	(11)	(40)
Other	(1)	-	-	-	(1)
Pre-Tax Income	(1,190)	(1,295)	(1,395)	(1,494)	(5,374)
<i>Pre-Tax Margins</i>	-5456.88%	-1079.17%	-1162.50%	-1245.00%	-1407.44%
Taxes (Benefit)	-	-	-	-	-
<i>Tax Rate</i>	0.00%	0.00%	0.00%	0.00%	0.00%
Net Income	\$ (1,190)	\$ (1,295)	\$ (1,395)	\$ (1,494)	\$ (5,374)
EPS-fully diluted	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.04)
Avg Shares Out-fully diluted	137,247	142,000	143,000	145,000	141,812
<u>Percent of Revenue</u>					
SG&A	NMF	NMF	NMF	NMF	NMF
Net Margin	NMF	NMF	NMF	NMF	NMF
<u>YEAR / YEAR GROWTH</u>					
Total Revenues	NMF	NMF	NMF	NMF	NMF

Samaritan Pharmaceuticals, Inc.
Consolidated Balance Sheet
For Fiscal Period Ended
(in thousands)

	<u>F2004A</u>	<u>F2005A</u>	<u>1Q06A</u>
Assets			
Current Assets			
Cash & Equivalents	\$ 3,929	\$ 953	\$ 2,510
Prepaid Expense & Other	76	354	336
Total Current Assets	4,005	1,307	2,847
Plant, Property, & Equipment-net	37	207	188
Marketable securities	493	-	-
Deposits & other	253	3	7
Intellectual property	461	721	709
Total Assets	\$ 5,249	\$ 2,238	\$ 3,751
Liabilities & Shareholders' Equity			
Current Liabilities			
Common stock to be issued	-	-	1,300
Accounts Payable & Accruals	170	562	546
Total Current Liabilities	170	562	1,846
Total Shareholders' Equity	5,079	1,675	1,905
Total Liabilities & Equity	\$ 5,249	\$ 2,238	\$ 3,751